

NEWS RELEASE
27 June 2013

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SARAMA RESOURCES DOUBLES THE STRIKE LENGTH OF MINERALISATION AT THE MM PROSPECT TO 3.8KM

VANCOUVER, CANADA. Sarama Resources Limited ("Sarama" or the "Company") is pleased to report that recent extensional drilling at its South Houndé Project in south-western Burkina Faso has extended the strike length of mineralisation at the MM Prospect to 3.8km, doubling the strike length defined previously.

Highlights

- *Strike length of mineralisation extended to 3.8km, double the extent defined previously.*
- *Mineralised quartz-feldspar-porphyry units intersected by the drilling show a high degree of geological continuity and geometrical consistency.*
- *Drilling indicates the presence of higher-grade shoot controls, within the overall lower-grade extended mineralisation, illustrating down-dip exploration potential.*
- *Downhole intersection highlights from diamond and reverse-circulation ("RC") drilling include:*

<i>FRC666RE1 (diamond)</i>	<i>17.2m @ 3.14 g/t Au</i>	<i>from 161.3m</i>	
<i>FRC661 (RC)</i>	<i>9.0m @ 3.57 g/t Au</i>	<i>from 114.0m</i>	<i>including 6.0m @ 5.12 g/t Au</i>
<i>FRC662 (RC)</i>	<i>26.0m @ 1.84 g/t Au</i>	<i>from 28.0m</i>	<i>including 14.0m @ 2.33 g/t Au; and including 4.0m @ 3.22 g/t Au</i>
<i>FRC686 (RC)</i>	<i>28.0m @ 1.68 g/t Au</i>	<i>from 68.0m</i>	
<i>FRC668 (RC)</i>	<i>22.0m @ 1.89 g/t Au</i>	<i>from 39.0m</i>	
<i>FRC665 (RC)</i>	<i>17.0m @ 1.98 g/t Au</i>	<i>from 16.0m</i>	
<i>FRC681RE1 (diamond)</i>	<i>22.3m @ 1.60 g/t Au</i>	<i>from 129.4m</i>	
<i>FRC813 (RC)</i>	<i>26.0m @ 1.38 g/t Au</i>	<i>from 16.0m</i>	<i>including 10.0m @ 2.00 g/t Au</i>
- *Maiden mineral resource estimate expected to be complete in Q3 2013.*

Sarama has received assay results from recent diamond, RC and air-core (“AC”) drilling programs at the MM Prospect which is situated on the Tankoro exploration property within the Company’s South Houndé Project. The extensional programs commenced in Q1 2013 and assay results for 1,400m of diamond drilling (14 holes), 4,900m of RC drilling (43 holes, including 4 pre-collars) and 1,500m of AC drilling (34 holes) are listed in Appendices A, B and C respectively.

The drilling programs were designed as a first-pass test for a southerly strike extension to the high-grade mineralisation defined at the MM Prospect by previous drilling. An induced-polarisation geophysical survey conducted over the target area by Sarama in late 2012 identified resistivity and chargeability anomalies which were interpreted to be mineralised quartz-feldspar-porphyry dykes similar to the units hosting the high-grade mineralisation to the north.

Mineralisation extending to a vertical depth of approximately 150m, considered to be potentially amenable to open pit mining, was the main focus of the drilling which was conducted on east-west lines spaced approximately 110-120m along strike. Holes were spaced at 40-60m centres down-dip.

The drilling delineated a series of parallel quartz-feldspar-porphyry dykes, interpreted to be striking north-north-east and dipping steeply to the west. This geometry is similar to the mineralised system immediately to the north, resulting in a strike length extension of 1.9km and bringing the total continuously mineralised strike length to 3.8km (refer Figure 1).

Whilst the dyke system in the southern extension area appears to consist largely of low grade mineralisation and is less geologically complex, with fewer parallel lenses, than is characteristic of the system’s northern extent, a series of higher-grade shoots present legitimate targets for future exploration (refer Figures 2 and 3).

The southern extension of the MM Prospect, when combined with the 1.9km-long Phantom Prospect to the north, results in mineralisation being intersected over a semi-continuous strike length of 5.7km. This begins to demonstrate the potential for a mineralised system of significance and underscores the prospectivity of the 30km-long Tankoro Structural Corridor as defined by earlier desktop studies and soil geochemistry fieldwork.

With the completion of the programs at the MM Prospect, Sarama is now focussing on the evaluation of shallow, high-grade mineralisation intersected approximately 400m to the east, at the MM East Prospect. The Company anticipates this additional area will contribute to the estimation of a maiden resource estimate in Q3 2013.

Sarama’s President and CEO, Andrew Dinning commented:

“We are pleased with the results of the drilling programs which have delineated continuous mineralisation over a 3.8km strike length at the MM Prospect, highlighting the size of the mineralised system and the success of our ground-based geophysical surveys in generating drill targets.

We look forward to the planned release of the maiden resource estimate in Q3 2013 and expect that the results will assist exploration planning to further investigate the nature of the higher-grade shoot controls which are evident throughout the system.

Sarama is well funded with a cash balance of approximately US\$11M (unaudited as at 31 March 2013).”

For further information on the Company’s activities, please contact:

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ABOUT SARAMA RESOURCES LTD

Sarama Resources Ltd is a Canadian company with a focus on the exploration and development of gold deposits in West Africa. The board of directors and management team, a majority of whom are founders of the Company, are seasoned resource industry professionals with extensive experience in the exploration and development of world-class gold projects in Africa.

The South Houndé Project in south-west Burkina Faso is the Company's flagship property and is currently the focus of an aggressive exploration program to increase the size of its maiden discovery and to test gold-in-soil anomalies located in a 30km-long structural corridor. Recent drilling programs at the South Houndé Project have intersected significant mineralisation in several prospect areas which the Company is actively following up. The Company has built substantial early stage exploration landholdings in prospective and underexplored areas of Burkina Faso (>3,300 km²), Liberia (>880 km²) and Mali (>560 km²) and is aggressively exploring across the property portfolio in Burkina Faso and Liberia.

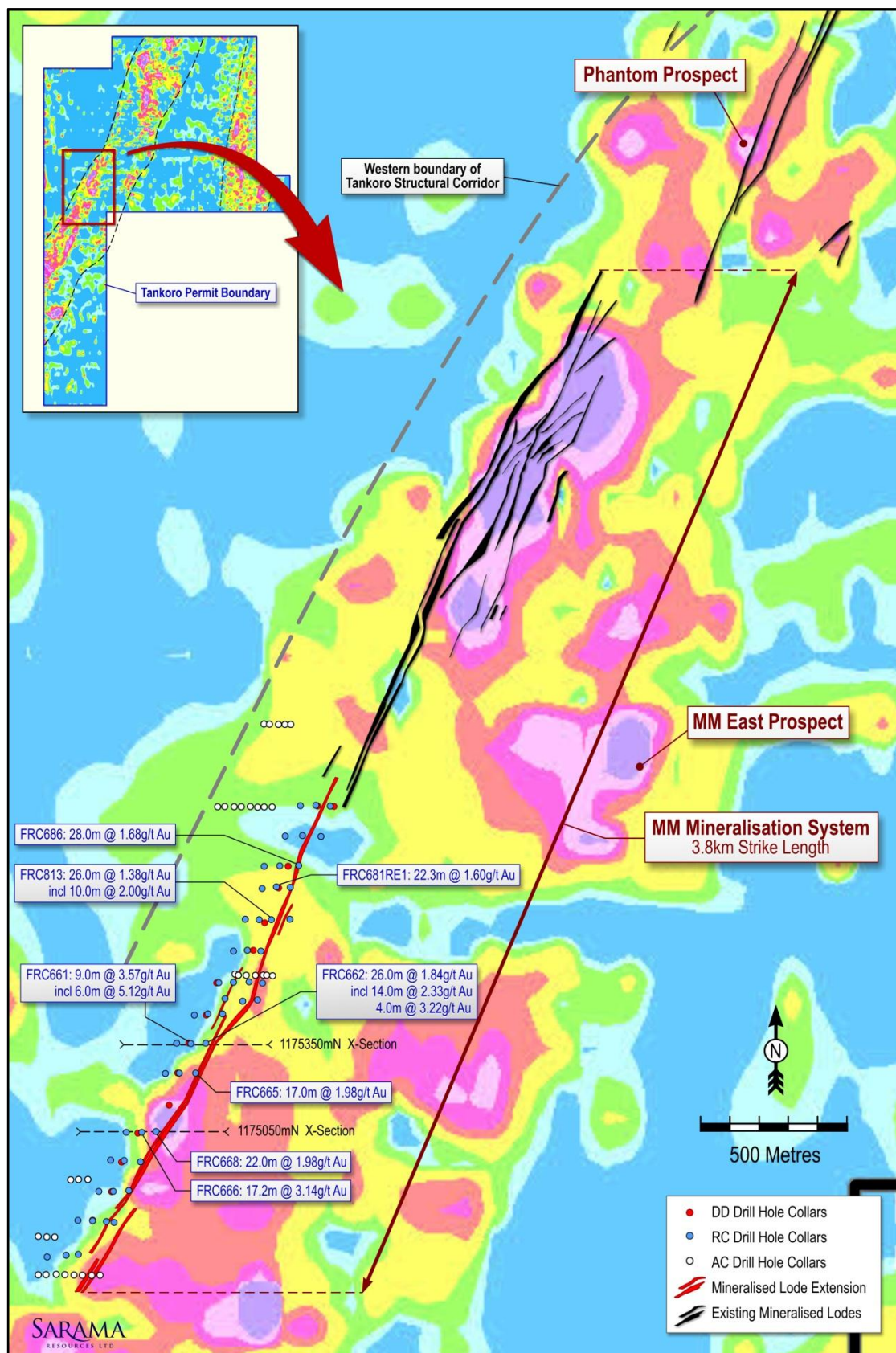


Figure 1: Recent Extensional Drilling at South of MM Prospect

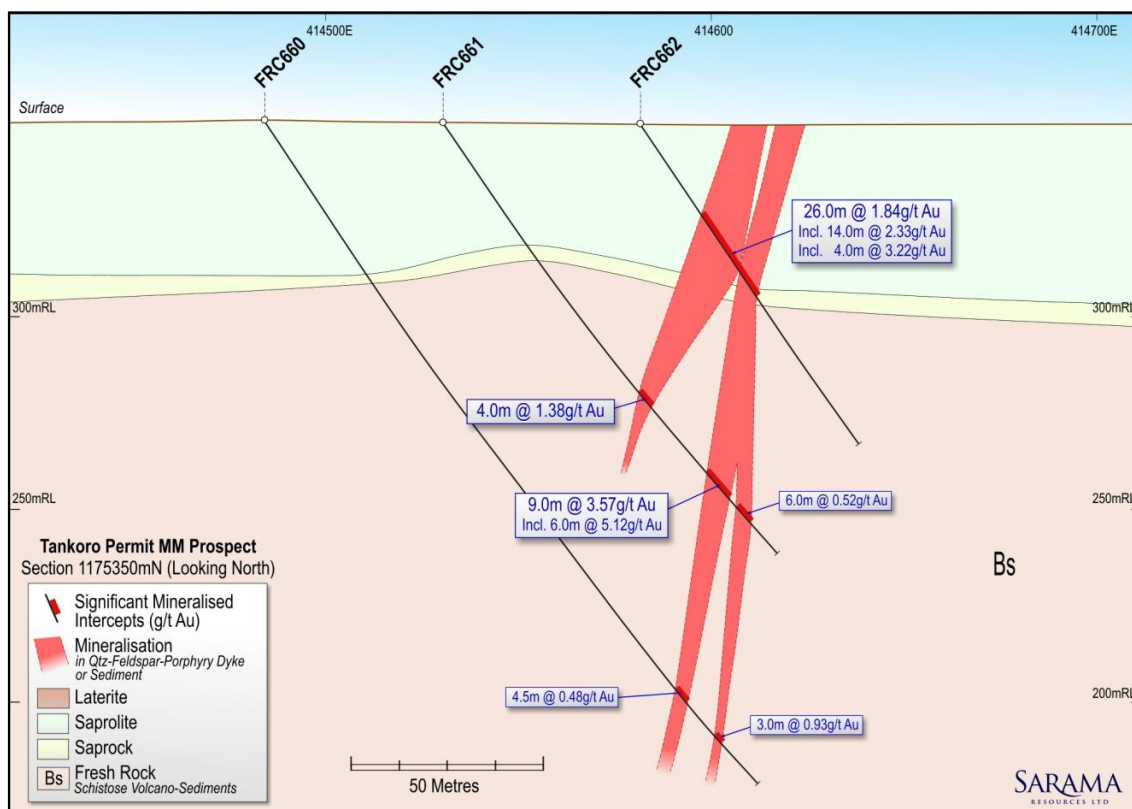


Figure 2: Southern MM Prospect Cross Section – 1175350mN

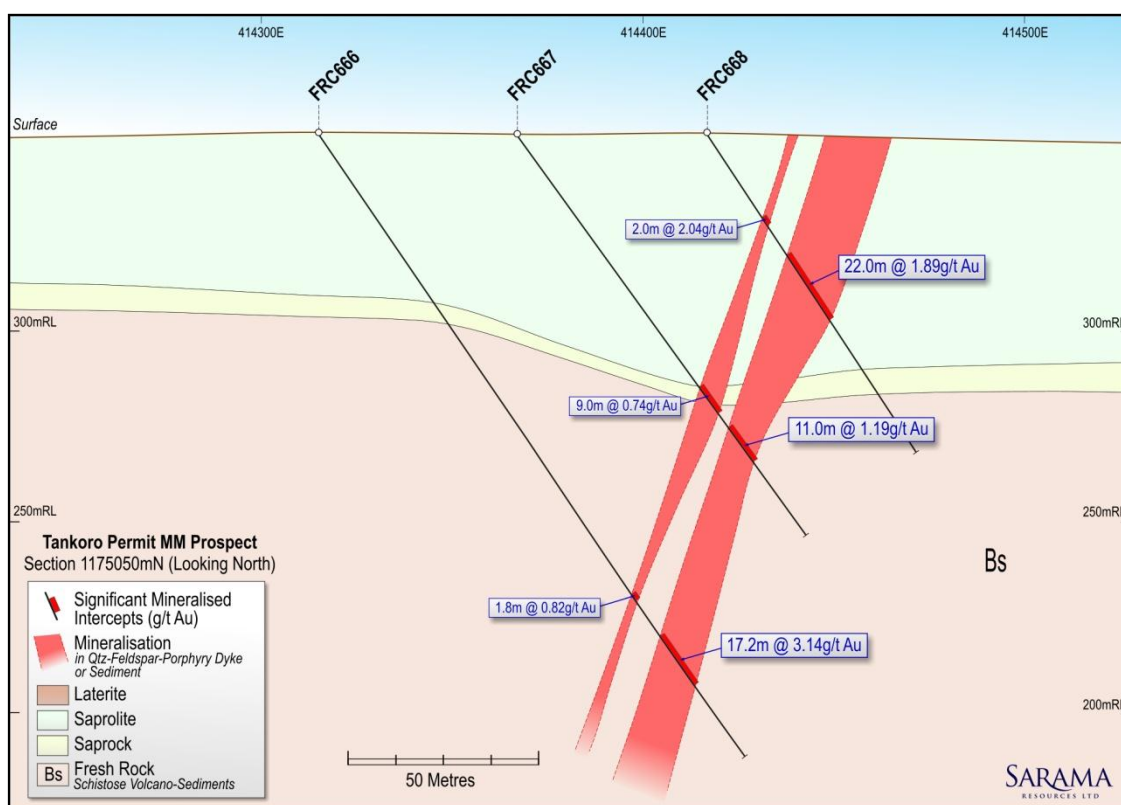


Figure 3: Southern MM Prospect Cross Section – 1175050mN

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Information in this news release that is not a statement of historical fact constitutes forward-looking information. Such forward-looking information includes statements regarding the Company's planned exploration programs and maiden resource estimate. Actual results, performance or achievements of the Company may vary from the results suggested by such forward-looking statements due to known and unknown risks, uncertainties and other factors. Such factors include, among others, that the business of exploration for gold and other precious minerals involves a high degree of risk and is highly speculative in nature; few properties that are explored are ultimately developed into producing mines; geological factors; the actual results of current and future exploration; changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents.

There can be no assurance that any mineralisation that is discovered will be proven to be economic, or that future required regulatory licensing or approvals will be obtained. However, the Company believes that the assumptions and expectations reflected in the forward-looking information are reasonable. Assumptions have been made regarding, among other things, the Company's ability to carry on its exploration activities, the sufficiency of funding, the timely receipt of required approvals, the price of gold and other precious metals, that the Company will not be affected by adverse political events, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain further financing as and when required and on reasonable terms. Readers should not place undue reliance on forward-looking information.

Sarama does not undertake to update any forward-looking information, except as required by applicable laws.

NOTES –DRILLING

Drilling results are quoted as downhole intersections. True mineralisation width is approximately 70% to 80% of intersection length for holes drilled on east-west sections, dipping at -50° to -55° and intersecting the NNE striking lenses.

The reported composites for diamond, RC and AC drilling were determined using a cut-off grade of 0.30g/t Au to select significant and anomalous intersections, with a maximum of 2m internal dilution being incorporated into the composite where appropriate. No top-cuts were applied to assay grades. Isolated mineralised intersections less than 2m in length have not been reported.

Sarama undertakes geological sampling and assays in accordance with its QA/QC program which includes the use of certified reference materials for diamond, RC and AC drilling and duplicates in the case of RC drilling.

Gold assays for the RC and diamond drilling were undertaken by the SGS S.A. laboratories in Morila, Mali and Ouagadougou, Burkina Faso, whilst gold assays for the AC drilling were undertaken by the SGS S.A. laboratory in Morila, Mali and the ALS Minerals laboratory in Ouagadougou, Burkina Faso. Assays are determined by fire assay methods using a 50 gram charge, lead collection and an AAS finish with a 0.01g/t Au lower detection limit.

RC drilling was generally designed using west-east oriented holes, dipping at -50° to -55° to the east, approximately 100-130m in length. Holes were spaced approximately 40-60m apart along the drill lines. RC drill cuttings were sampled over regular 1m intervals.

Diamond drilling was generally designed using west-east oriented holes, dipping at -50° to -55° to the east, of variable length. Holes were spaced approximately 40-60m apart along the drill lines. Diamond core was logged and sampled according to geological intervals. Samples submitted for assay were half core.

AC drilling was generally designed using west-east oriented holes, dipping at -55° to the east, approximately 50m in length. AC drilling proceeded to design or cutting head refusal. Holes were spaced approximately 40-60m apart along the drill lines. AC drill cuttings were sampled over regular 2m composited intervals.

QUALIFIED PERSON'S STATEMENT

Scientific or technical information in this news release that relates to the Company's exploration activities in Burkina Faso is based on information compiled or approved by Michel Mercier. Michel Mercier is an employee of Sarama Resources Ltd and is a member in good standing of the Ordre des Géologues du Québec and has sufficient experience which is relevant to the commodity, style of mineralisation under consideration and activity which he is undertaking to qualify as a Qualified Person under National Instrument 43-101. Michel Mercier consents to the inclusion in this report of the information, in the form and context in which it appears.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

APPENDIX A – SIGNIFICANT DIAMOND DRILL RESULTS

Location (Prospect)	Hole Number	Downhole Intersection	Depth From	Depth To	Dip	Azimuth	Hole Length
MM	FRC505RE1	21.1m @ 0.95 g/t Au	144.0	165.1	-50	90	60
MM	FRC636RE1	17.0m @ 1.65 g/t Au	159.4	176.4	-55	90	60
		5.5m @ 1.38 g/t Au	182.0	187.5			
MM	FRC657RE1	3.0m @ 0.79 g/t Au	138.5	141.5	-55	90	137
		14.0m @ 0.40 g/t Au	184.5	198.5			
MM	FRC660RE1	4.5m @ 0.48 g/t Au	182.5	187.0	-55	90	140
		2.5m @ 1.06 g/t Au	198.0	200.5			
MM	FRC663RE1	2.4m @ 0.40 g/t Au	80.4	82.8	-55	90	116
		2.0m @ 1.71 g/t Au	98.0	100.0			
		2.8m @ 1.19 g/t Au	143.7	146.4			
		15.1m @ 1.68 g/t Au	155.9	171.0			
		<i>including 6.0m @ 2.45 g/t Au</i>					
MM	FRC666RE1	17.2m @ 3.14 g/t Au	161.3	178.5	-55	90	125
MM	FRC669RE1	22.0m @ 0.73 g/t Au	125.5	147.5	-55	90	109.5
		12.3m @ 1.00 g/t Au	150.5	162.8			
MM	FRC672RE1	6.0m @ 0.56 g/t Au	82.0	88.0	-55	90	89
		17.7m @ 1.65 g/t Au	114.5	132.2			
		7.2m @ 0.59 g/t Au	138.3	145.4			
		3.0m @ 1.30 g/t Au	152.0	155.0			
MM	FRC679RE1	4.0m @ 0.61 g/t Au	116.0	120.0	-55	90	25.5
		2.9m @ 0.73 g/t Au	122.5	125.4			
MM	FRC681RE1	22.3m @ 1.60 g/t Au	129.4	151.7	-55	90	90
MM	FRC806ARE1	7.8m @ 0.84 g/t Au	137.5	145.3	-50	90	95.5
MM	FRC812RE1	20.5m @ 0.88 g/t Au	140.5	161.0	-50	90	60
MM	FRC815RE1	18.4m @ 0.95 g/t Au	149.1	167.5	-50	90	60.5
MM	DDH060	3.1m @ 2.25 g/t Au	67.5	70.6	-50.5	91.8	200
		20.7m @ 0.94 g/t Au	166.5	187.2			

Notes:

1. Drillhole identifiers with a prefix of 'FRC' and a suffix of 'RE1' are diamond drill extensions of existing RC drillholes

APPENDIX B – SIGNIFICANT RC DRILL RESULTS

Location (Prospect)	Hole Number	Downhole Intersection	Depth From	Depth To	Dip	Azimuth	Hole Length
MM	FRC644	3.0m @ 0.66 g/t Au	102.0	105.0	-50	90	138
		15.0m @ 0.71 g/t Au	111.0	126.0			
MM	FRC645	18.0m @ 1.68 g/t Au	20.0	38.0	-50	90	130
		2.0m @ 3.39 g/t Au	52.0	54.0			
MM	FRC646	9.0m @ 0.31 g/t Au	68.0	77.0	-50	90	130
		10.0m @ 0.34 g/t Au	83.0	93.0			
MM	FRC658	7.0m @ 0.46 g/t Au	43.0	50.0	-55	90	154
		3.0m @ 0.52 g/t Au	79.0	82.0			
		15.0m @ 0.47 g/t Au	129.0	144.0			
MM	FRC659	8.0m @ 0.34 g/t Au	81.0	89.0	-55	90	100
MM	FRC661	3.0m @ 1.06 g/t Au	65.0	68.0	-55	90	142
		2.0m @ 1.24 g/t Au	73.0	75.0			
		4.0m @ 1.38 g/t Au	87.0	91.0			
	FRC661	9.0m @ 3.57 g/t Au	114.0	123.0			
		<i>including 6.0m @ 5.12 g/t Au</i>					
		6.0m @ 0.52 g/t Au	126.0	132.0			
MM	FRC662	26.0m @ 1.84 g/t Au	28.0	54.0	-55	90	100
		<i>including 14.0m @ 2.33 g/t Au</i>					
		<i>including 4.0m @ 3.22 g/t Au</i>					
MM	FRC664	6.0m @ 0.79 g/t Au	38.0	44.0	-55	90	150
		3.0m @ 1.44 g/t Au	58.0	61.0			
		30.0m @ 1.17 g/t Au	72.0	102.0			
MM	FRC665	17.0m @ 1.98 g/t Au	16.0	33.0	-55	90	100
MM	FRC667	9.0m @ 0.75 g/t Au	82.0	91.0	-55	90	130
		11.0m @ 1.19 g/t Au	96.0	107.0			
MM	FRC668	2.0m @ 2.04 g/t Au	27.0	29.0	-55	90	100
	FRC668	22.0m @ 1.89 g/t Au	39.0	61.0			
MM	FRC670	5.0m @ 0.97 g/t Au	76.0	81.0	-55	90	130
		11.0m @ 1.01 g/t Au	89.0	100.0			
		10.0m @ 0.41 g/t Au	116.0	126.0			
MM	FRC671	18.0m @ 0.86 g/t Au	33.0	51.0	-55	90	100
MM	FRC672 (pre-collar)	3.0m @ 0.41 g/t Au	38.0	41.0	-55	90	75
MM	FRC673	31.0m @ 1.05 g/t Au	66.0	97.0	-55	90	130
MM	FRC674	3.0m @ 0.88 g/t Au	17.0	20.0	-55	90	102
		6.0m @ 0.43 g/t Au	59.0	65.0			
		2.0m @ 1.10 g/t Au	97.0	99.0			
MM	FRC678	2.0m @ 0.71 g/t Au	62.0	64.0	-55	90	100
		16.0m @ 1.45 g/t Au	84.0	100.0			
		<i>including 4.0m @ 3.46 g/t Au</i>					
MM	FRC679 (pre-collar)	9.0m @ 1.75 g/t Au	29.0	38.0	-55	90	108
		<i>including 5.0m @ 2.74 g/t Au</i>					
		3.0m @ 0.62 g/t Au	41.0	44.0			
MM	FRC680	2.0m @ 1.11 g/t Au	54.0	56.0	-55	90	100
MM	FRC681 (pre-collar)	2.0m @ 0.45 g/t Au	55.0	57.0	-55	90	100
MM	FRC682	26.0m @ 0.78 g/t Au	62.0	88.0	-55	90	100
		<i>including 8.0m @ 1.30 g/t Au</i>					

Location (Prospect)	Hole Number	Downhole Intersection	Depth From	Depth To	Dip	Azimuth	Hole Length
MM	FRC683	no significant intersections	0.0	100.0	-55	90	100
MM	FRC686	28.0m @ 1.68 g/t Au	68.0	96.0	-50	90	130
		2.0m @ 1.32 g/t Au	99.0	101.0			
MM	FRC777	2.0m @ 0.35 g/t Au	115.0	117.0	-50	90	130
MM	FRC804	21.0m @ 1.17 g/t Au	73.0	94.0	-50	90	100
MM	FRC805	2.0m @ 0.50 g/t Au	23.0	25.0	-50	90	115
		6.0m @ 0.69 g/t Au	69.0	75.0			
		3.0m @ 0.46 g/t Au	104.0	107.0			
MM	FRC806	no significant intersections	0.0	115.0	-51.3	90	115
MM	FRC807	14.0m @ 1.91 g/t Au	29.0	43.0	-50	90	102
		<i>including 8.0m @ 2.70 g/t Au</i>					
		2.0m @ 0.39 g/t Au	94.0	96.0			
MM	FRC808	14.0m @ 1.14 g/t Au	98.0	112.0	-50	90	126
MM	FRC809	2.0m @ 0.71 g/t Au	57.0	59.0	-50	90	115
MM	FRC810	9.0m @ 1.39 g/t Au	16.0	25.0	-50	90	100
MM	FRC811	20.0m @ 1.08 g/t Au	78.0	98.0	-50	90	120
MM	FRC812 (pre-collar)	3.0m @ 1.63 g/t Au	27.0	30.0	-50	90	115
MM	FRC813	26.0m @ 1.38 g/t Au	16.0	42.0	-50	90	100
		<i>including 10.0m @ 2.00 g/t Au</i>					
		8.0m @ 0.97 g/t Au	48.0	56.0			
MM	FRC814	3.0m @ 0.71 g/t Au	54.0	57.0	-50	90	120
		15.0m @ 1.34 g/t Au	71.0	86.0			
		<i>including 6.0m @ 2.15 g/t Au</i>					
		6.0m @ 0.60 g/t Au	96.0	102.0			
MM	FRC816	11.0m @ 0.78 g/t Au	99.0	110.0	-50	90	145
MM	FRC856	no significant intersections	0.0	100.0	-52.2	90	100
MM	FRC857	no significant intersections	0.0	100.0	-52.1	90	100
MM	FRC858	6.0m @ 0.59 g/t Au	67.0	73.0	-50	90	100
MM	FRC859	15.0m @ 0.67 g/t Au	38.0	53.0	-50	90	100
MM	FRC860	6.0m @ 0.97 g/t Au	47.0	53.0	-50	90	100
MM	FRC861	5.0m @ 1.78 g/t Au	24.0	29.0	-50	90	100
MM	FRC862	2.0m @ 0.81 g/t Au	80.0	82.0	-50	90	100

APPENDIX C – SIGNIFICANT AC DRILL RESULTS

Location (Prospect)	Hole Number	Downhole Intersection	Depth From	Depth To	Dip	Azimuth	Hole Length
MM	AC917	no significant intersections	0.0	50.0	-55	90	50
MM	AC918	no significant intersections	0.0	50.0	-55	90	50
MM	AC919	no significant intersections	0.0	50.0	-55	90	50
MM	AC920	no significant intersections	24.0	28.0	-55	90	50
MM	AC921	no significant intersections	6.0	40.0	-55	90	50
MM	AC922	4.0m @ 0.77 g/t Au	36.0	38.0	-55	90	50
MM	AC923	34.0m @ 0.62 g/t Au	0.0	50.0	-55	90	50
MM	AC924	2.0m @ 0.32 g/t Au	0.0	50.0	-55	90	50
MM	AC925	no significant intersections	0.0	50.0	-55	90	50
MM	AC926	no significant intersections	0.0	50.0	-55	90	50
MM	AC927	no significant intersections	0.0	50.0	-55	90	50
MM	AC928	no significant intersections	0.0	50.0	-55	90	50
MM	AC929	no significant intersections	0.0	15.0	-55	90	50
MM	AC930	no significant intersections	16.0	18.0	-55	90	50
MM	AC936	no significant intersections	36.0	48.0	-55	90	15
MM	AC937	2.0m @ 0.49 g/t Au	28.0	32.0	-55	90	50
MM	AC938	12.0m @ 0.77 g/t Au (EOH)	0.0	8.0	-55	90	48
MM	AC939	4.0m @ 0.78 g/t Au	34.0	38.0	-55	90	44
MM	AC940	no significant intersections	0.0	9.0	-55	90	8
MM	AC941	4.0m @ 0.78 g/t Au	0.0	45.0	-55	90	41
MM	AC942	no significant intersections	0.0	50.0	-55	90	9
MM	AC956	no significant intersections	0.0	45.0	-55	90	45
MM	AC957	no significant intersections	0.0	45.0	-55	90	50
MM	AC958	no significant intersections	28.0	30.0	-55	90	45
MM	AC959	no significant intersections	0.0	48.0	-55	90	45
MM	AC960	2.0m @ 0.97 g/t Au	0.0	45.0	-55	90	48
MM	AC961	no significant intersections	0.0	35.0	-55	90	48
MM	AC962	no significant intersections	0.0	39.0	-55	90	45
MM	AC963	no significant intersections	0.0	50.0	-55	90	35
MM	AC964	no significant intersections	0.0	36.0	-55	90	39
MM	AC965	no significant intersections	0.0	39.0	-55	90	50
MM	AC966	no significant intersections	0.0	44.0	-55	90	36
MM	AC967	no significant intersections	0.0	50.0	-55	90	39
MM	AC968	no significant intersections	0.0	50.0	-55	90	44